

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO. <b>30-015-22007</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>L-324-2</b>
7. Lease Name or Unit Agreement Name <b>HONDO STATE COM</b>
8. Well No. <b>1</b>
9. Pool name or Wildcat <b>BURTON FLAT; BONE SPRING (ASSOC.)</b>

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/>	<b>RECEIVED</b> <b>FEB 24 1997</b> <b>OIL CON. DIV.</b> <b>DIST. 2</b>
2. Name of Operator <b>MARALO, INC.</b>	
3. Address of Operator <b>P. O. BOX 832, MIDLAND, TX 79702</b>	
4. Well Location Unit Letter <b>E</b> : <b>1980</b> Feet From The <b>NORTH</b> Line and <b>660</b> Feet From The <b>WEST</b> Line Section <b>32</b> Township <b>20S</b> Range <b>28E</b> NMPM <b>EDDY</b> County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) <b>3227'</b>	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

OPERATION: INSTALL PERMANENT PLUNGER LIFT SYSTEM

01/27/97 MI RU PULLING UNIT. RU ROTARY WL. RIH W/FREEPOINT. RIH & TAGGED FILL @ 6987', 293' FILL, 484' RAT HOLE. RIH & SHOT 4 - 3/8" HOLES IN TBG @ 6196' TO 6199'. WORKED STUCK PACKER @ 6226' LOOSE. POH W/200 JTS 2-3/8" TBG + 5-1/2" MODEL "R" PKR. LD 1 JT 2-3/8" TBG W/HOLES SHOT IN & PKR. RIH W/2-3/8" SN + 5 JTS 2-3/8" TBG + 5-1/2" TBG ANCHOR + 67 JTS 2-3/8" TBG.

01/28/97 KILLED WELL W/50 BBLs 2% KCL WTR. RIH W/DRIFT ON SWAB LINE. RIH W/129 JTS 2-3/8" TBG, DRIFTING EVERY 1500'. NO BOP. SET TBG ANCHOR W/10 POINTS COMPRESSION. TBG ANCHOR @ 6115', BTM OF SN @ 6270'.

01/29/97 PLUNGER LIFT SYSTEMS HOOKED UP SURFACE EQUIPMENT TO WELLHEAD. 3 HR SITP 700 PSI. OPEN WELL UP TO TEST TANK. WELL FLOWED TO TEST TANK 3 HRS. THEN TO STACK PACK OVERNIGHT.

01/30/97 BROACH TBG & INSTALL DOWN HOLE PLUNGER EQUIPMENT. ADJUSTED PLUNGER LIFT SYSTEM. LEFT WELL FLOWING TO STACK PACK.

01/31 THROUGH 02/18/97 DAILY AVERAGE ON 24 HOUR PLUNGER LIFT MAKING 10 BO, 42 BW, 358 MCFG. PRIOR TO REMEDIAL WORK DAILY AVERAGE 24 HOUR PRODUCTION WAS 5 BO, 11 BW, 133 MCFG.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Dorothea Logan* TITLE REGULATORY ANALYST DATE FEBRUARY 20, 1997

TYPE OR PRINT NAME DOROTHEA LOGAN TELEPHONE NO. (915) 684-7441

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE FEB 27 1997

CONDITIONS OF APPROVAL, IF ANY: